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Acting Chief, Seattle Office

21 July 1949

Chief, Contact Branch

Dr. Nikolai N. POPPE

REFERENCE: (a) Your memorandum No. 277, dated 15 July 1949, same subject

1. Reaction: We hope your dealings with Taylor did not give him any cause to think CIA has been in contact with POPPE. We have checked widely here and can uncover no indication of a leak to Taylor from this end. However, Taylor knows his way around Washington, and might well have made his own shrewd deductions when he saw a DC postmark on a letter from POPPE. For the record, the less Taylor suspects any CIA contact with POPPE, the better.

2. Background: For your information, POPPE has been here for two months, was first handled as a very sensitive subject, and has been of major interest to a number of people extending pretty well up. Taylor had offered him the job before he arrived in the US and POPPE was definitely interested. As soon as we could get agreement from the necessary parties, we gave POPPE permission to write Taylor. It was our hope to release POPPE from all interests here and turn him over to you as a normal source as soon as he could arrange to establish himself in Seattle as a normal private citizen, legitimately privately employed. While such material would have been processed before he left, there would have been substantial continuing requirements all set up to turn over to you. This would have had the further advantage of centering the varied interests involved and channelling the flow of intelligence through your office and Contact Branch.

All this prospect seems to be thrown into some confusion by what appears to be a plan on Taylor's part to get out from under his previous commitment to POPPE. The idea of our taking over any part of the financial obligation seems out of the question. If government funds were available, there would be no point in POPPE's going to Seattle. As to the value of the University's material on the areas concerned, he would have available here the whole Library of Congress and several universities. POPPE himself is now quite worried because he has had no answer from Taylor. It is most desirable that POPPE should get the job as originally offered by Taylor.

3. Solution: While we do not presume we can size up your problem from a distance and give definitive advice, the following suggestions are the fruit of such analysis as we can make of the facts here plus your memorandum, and are offered for what help they may be to you. In the event that Taylor is unbashfully aware of CIA contact with POPPE, it might be your best line to put over the idea that a formal application for financial aid at this stage could only result in a rejection and possible complete upset of POPPE's present plans. After POPPE was established out there, what use Taylor might make either of your or his other government contacts (Davies?) cannot be predicted in advance. Between us, the prospects of financial relief for Taylor do not look good from here. Our own

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Friends, as you know, are specifically excluded from us in purchasing intelligence. Besides personally think highly of PUFIC, but we have no knowledge of his scope or his operations, and for this reason we could not serve as a channel to him. If Taylor does not know that CIA has had contact with PUFIC, your best line of approach should give no opinion as to possible government liaison. As this will be done, we could give no opinion as to possible action PUFIC was taking until we had such detailed information as you could furnish about PUFIC and reported results of same, and after you had had initial exploratory contact and reported your conclusions thereto. However your approach the direct one is that PUFIC should have word and reassurance from Taylor as soon as possible, that the original deal should go through, and that we make no comment or implication or assurance.

LAWRENCE B. KELLY
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